

Message Text

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42

ACTION AID-31

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R 090039Z JUL 75

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 5965

INFO AMCONSUL HONG KONG

AMEMBASSY SINGAPORE

AMEMBASSY MANILA

AMEMBASSY BANGKOK

UNCLAS TAIPEI 4080

FOR RCMO OFFICES

E.O. 11652: N/A

TAGS: AIDAC

SUBJ: DISPOSAL OF VESTED COMMODITIES

REF : A) STATE 154671 B) SINGAPORE 2798

1. AS RESULT OF DISCUSSIONS WITH RCMO TAIPEI, FOLLOWING PROCEDURES PROPOSED FOR EFFECTING DISPOSAL VESTED COMMODITIES, BOTH SHORT-SHELF-LIFE ITEMS AND GENERAL CARGO, AT RCMO LOCATIONS. REPLIES TO PARA 4, REF A, INDICATE NO SUPERVENING PROBLEMS IN AID MOVING TO SELL EXCESS VESTED PROPERTY IN HONGKONG, SINGAPORE, MANILA, AND BANGKOK. UPON AID/W'S AGREEMENT, WE PROPOSE FOLLOWING DISPOSAL PROCEDURES:

A. SINGAPORE: PER REF B, ENGAGE PSA AS AGENT TO HANDLE SALES ALL PROPERTY THAT PORT. AID WOULD INSTRUCT PSA ON TERMS AND CONDITIONS OF BID AND RETAIN RIGHT TO PRIOR REVIEW AND APPROVAL ALL AWARDS. PSA WOULD ATTEND ADVERTISING, BID ISSUANCE, DISPLAY FOR INSPECTION, AND INSURE BUYER HAS LICENSE, PAYS CUSTOMS AND BID PRICE ON FINAL SALE. PSA CHARGE OF 15 PERCENT OF SALES PRICE WOULD BE DEDUCTED FROM SALE PROCEEDS. IN VIEW DOD AND GSA QUOTE OF 20 PERCENT, PSA CHARGE VIEWED REASONABLE. USE OF PSA PER REF B, IN WHOSE WAREHOUSE ALL SUCH GOODS ARE STORED, WOULD AVOID ANY UNCLASSIFIED

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PROBLEMS IN CONSUMATING SALES AGREEMENT.

B. MANILA, HONGKONG, BANGKOK: SEALED BID PROCEDURES WOULD BE HELD BY RCMOS, SUBJECT TO OVERALL DIRECTION RCMO TAIPEI.

FORESEE USING STANDARD SEALED BID FORMAT AND PROCEDURES.

2. FORMATE PREPARED BY ELLIOTT AND CARTER REVIEWED WITH BOURNE. FORMAT DERIVED FROM SAME FORM USED BY RCMOS FOR SALE OF PL-480 COMMODITIES IN BEHALF AGATTS. COMMENTS THEREON SEPTEL.

3. PER PARA 2, REF A, INITIAL APPROACH TO ORIGINAL SUPPLIER APPEARS MOST ADVANTAGEOUS. HOWEVER, THEREAFTER RECOMMEND ADVERTISING AND SEALED BID PROCEDURES RATHER THAN NEGOTIATED SALE TO IN-COUNTRY DISTRIBUTORS AS SUGGESTED PARA 3, REFTEL A. DISCUSSION WITH RCMO TAIPEI WARRANTS RECONSIDERATION OF BASIC NEGOTIATED APPROACH TO IN-COUNTRY DISTRIBUTORS IN FAVOR OF USING COMPETITIVE BIDS WHICH WOULD FACILITATE EVALUATION BID OFFERS BY ALL CONCERNED AND GUARANTEE INTEGRITY OF DEVELOPED TERMS AND CONDITIONS. SINCE SEALED BID PROCEDURES VIRTUALLY CERTAIN TO ACHIEVE SAME CIRCULATION IN SALES AREA AS SUGGESTED NEGOTIATED METHOD, SIMPLICITY AND EASE OF HANDLING ARGUES STRONGLY FOR UTILIZATION OF COMPETITIVE BID PROCEDURES TO ACHIEVE RESULTS DESIRED. FURTHER, BOURNE ADVISES AND CARTER PERSUADED THAT IF US PARENT EXPRESSES NO PROPRIETARY INTEREST IN PRODUCT OR PROTECTED RESALE THROUGH IN-COUNTRY DISTRIBUTORS, LOCAL BUYERS, US BUYERS, AND DISTRIBUTORS SHOULD BE PLACED ON COMMON FOOTING. WE PROPOSE THAT AT TIME IFBS PUBLICIZED WITH SUFFICIENT LEAD TIME TO OPENING, THAT NOTICE BE AFFORDED TO US BUYERS ABOUT OBTAINING PERTINENT IFBS FROM COUNTRY WHERE SALE BEING HELD.

4. WITH RESPECT PERISHABLES REF A, IF INITIAL APPROACH TO ORIGINAL SUPPLIER UNPRODUCTIVE, RCMO/SINGAPORE WOULD UTILIZE PSA AND OTHER RCMOS INITIATE PUBLIC SALE BY SEALED BID PROCEDURES PER PARA 1 AND 2 ABOVE. IF AID/W CONSUMMATES SALE WITH ORIGINAL SUPPLIER, AID/W CABLE ADVICE TO RCMO TO RELEASE GOODS TO SPECIFIED IN-COUNTRY AGENT OR DISTRIBUTOR WOULD SUFFICE TO COMPLETE DELIVERY.

5. BEFORE IFBS CAN BE ISSUED, RCMOS WOULD NEED FROM AID/W UNCLASSIFIED

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THE COMPLETE NOMENCLATURE DESCRIPTION, AND CONTENTS (QUANTITIES) OF THE B/L SHIPMENT AND THE VALUE OF THE CARGO, REFERENCED BACK TO THE INVENTORY SHEET NUMBER SUBMITTED BY EACH RCMO. WE UNDERSTAND THAT LISTS PREPARED IN AID/W ITEMIZED THE COMMODITY DESCRIPTION, QUANTITIES, AND VALUES AND CARRIED THE REFERENCED INVENTORY SHEET NUMBER. THESE LISTS COULD BE SENT TO RCMOS FOR THE NEEDED INFORMATION AND ANY MINIMUM ACCEPTABLE PRICES WHICH AID/W WISHES TO IMPOSE ON THE SALE MARKED ON THE LISTS.

6. GENERAL CARGO FOR PUBLIC SALE WOULD BE OFFERED IN LIKE COMMODITY GROUPS SUFFICIENT TO ATTRACT LIKE BUYERS. RATHER THAN FLOOD THE MARKET BY PUTTING EVERYTHING UP FOR SALE AT

ONE TIME, (WHICH WOULD ALSO CONGEST INSPECTION AND BID OPENING ROOMS), A SERIES OF SALES WOULD BE CONDUCTED, UNSOLD OR REJECTED ITEMS BEING ADDED TO THE LATER SALES. THE SERIES OF SALES (ADVERTISING TO BID OPENING) WOULD BE CONDUCTED IN OVERLAPPING SEQUENCE WITH SUFFICIENT LEAD TIME FOR WORLD-WIDE BIDDERS TO RESPOND. ONCE IN THE SEQUENCE, BID OPENINGS WOULD BE MADE ON A WEEKLY OR TWO-WEEKLY TIME BASIS.

7. CARTER WILL DISCUSS IFB PROCEDURES AND FORMATS WITH EACH RCMO PRIOR RETURN AID/W. REQUEST AID/W RESPONSE PROPOSALS ABOVE ASAP.

8. STATUS-WISE, RCMO WAITING RESULTS AID/W OFFER TO ORIGINAL SUPPLIERS ON PRIORITY COMMODITIES (PARA 2 REF A). UPON AUTHORITY AID/W, RCMOS PREPARED PROCEED EXPEDITIOUS SALE PRIORITY ITEMS BY SEALED BID METHOD (PARA 3 ABOVE). FOR GENERAL CARGO, RCMOS PREPARED PROCEED PUBLIC SALE BY SEALED BID (PARA 1A AND 1B ABOVE) IN SERIES OVERLAPPING SALES (PARA 6 ABOVE) UPON RECEIPT INFORMATION NEEDED FROM AID/W (PARA 5 ABOVE). AND DISPOSAL AUTHORITY.
UNGER

UNCLASSIFIED

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